



Natural Resources Conservation Service
6013 Lakeside Blvd.
Indianapolis, IN 46278

January 31, 2006

INDIANA BULLETIN NO. IN 300-6-8

SUBJECT: LTP- Wetlands Reserve Program (WRP) Appraisal Process

Purpose: To provide program update on changes in the WRP appraisal process

Expiration Date: September 30, 2006

The acquisition valuation process (appraisal process) for WRP has been modified to adopt procedures and processes for real estate acquisition similar with Uniform Standards of Professional Appraisal Practice (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA aka Yellow Book). This process is being implemented to obtain consistency among NRCS easement programs valuation methodologies and in response to a National WRP audit performed by the Office of Inspector General. This process will be used on any new appraisals that are requested for the 2006 Wetlands Reserve Program and in the future. Any appraisals that were completed or ordered prior to this bulletin will be used as is.

The changes will be as follows; NRCS will pay for the purchase of a permanent WRP easement according to the least of the following three values: a) the difference in the appraised market value of the whole parcel before the easement is placed and appraised market value of the whole parcel after the easement is placed on it, b) the geographic area cap; or c) the landowner's offer. NRCS will pay for the purchase of a 30-year WRP easement 75 percent of the value of what it would have paid for a permanent easement. The purpose of two appraisals is to establish the effect on value resulting from the imposition of a conservation easement.

Geographic area caps are set based on counties. This information is identified in Attachment 1 of this bulletin. These caps are based on information found in the 2002 Census of Agriculture published by the USDA National Agricultural Statistics Service (NASS). Table 8 in the NASS State and County Reports contains information for each county. **The geographic area cap sets the maximum amount per acre for an individual county that can be paid. It should be noted that appraised values could be lower than geographic caps. NRCS personnel should not make any representation to a landowner of the appraised value (this will be determined in the appraisal process) of the property.** Once the appraisals have been completed an offer will be made on the lowest of the following, the difference in the appraisals, geographic cap or the landowner's offer.

DIST: 0

If the landowner declines the offer, NRCS pays for the appraisal costs and the application is considered canceled. If the landowner accepts (signs) the offer, NRCS continues with the easement acquisition process (survey, title, etc) and pays for these associated costs.

If the landowner should decide to drop out after the option is signed, NRCS has the authority to request payment for any costs incurred after the date of signing the offer.

If you have questions concerning the Wetlands Reserve Program, please contact Shannon Zezula, Acting Assistant State Conservationist for Programs at (800) 440-7536 Ext. 388 or Gerald Roach, WRP Coordinator, at the Scottsburg Field Office at (812) 752-2269 Ext. 3.

/s/

J. XAVIER MONTOYA
Acting State Conservationist

cc: USFWS, Bloomington, IN
Shannon Zezula, Acting ASTC (Programs), NRCS, Indianapolis, IN
Gerald Roach, WRP Coordinator, NRCS, Scottsburg, IN

Attachment